

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 12092 191826Z
ACTION EUR-12

INFO OCT-01 ARA-10 IO-13 ISO-00 AGR-05 AID-05 CEA-01
CIAE-00 COME-00 EB-08 EA-10 FRB-03 INR-10 NEA-11
NSAE-00 ICA-11 OPIC-03 SP-02 TRSE-00 LAB-04
SIL-01 OMB-01 SS-15 /126 W
-----127378 191906Z /43

R 191828Z JUN 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 7375
INFO ALL EC CAPITALS
USMISSION GENEVA
AMEMBASSY BRASILIA

LIMITED OFFICIAL USE BRUSSELS 12092

USEEC

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJ: EC CRUSHING INDUSTRY COMPLAINT ABOUT SOYBEAN MEAL
IMPORTS FROM BRAZIL

REF: (A) 77 BRUSSELS 19012; (B) 77 BRUSSELS 15448

1. AN OFFICIAL IN FEDIOL (EC FEDERATION OF OILSEED
CRUSHERS) TOLD US THAT HIS ORGANIZATION IS NOW SEEKING TO
REOPEN THE COUNTERVAILING DUTY INVESTIGATION CONCERNING
IMPORTS OF SOYBEAN MEAL FROM BRAZIL. IT SHOULD BE
RECALLED THAT THIS INVESTIGATION WAS TERMINATED IN
DECEMBER 1977 ON THE BASIS OF A COMMITMENT BY THE
BRAZILIANS TO INCREASE THEIR EXPORT TAX ON SOYBEAN MEAL IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 12092 191826Z

LINE WITH THE EXPORT TAX ON SOYBEANS (REFS A AND B).

2. THE OFFICIAL NOTED THAT CRUSHING MARGINS FOR THE
EUROPEAN INDUSTRY HAD BEEN VERY LOW SINCE THE END OF
MARCH. THE EC INDUSTRY APPARENTLY FEELS THAT BRAZIL IS
LARGELY TO BLAME FOR THIS DEVELOPMENT. THE OFFICIAL SAID
THAT RENEWED EC INDUSTRY COMPLAINTS AGAINST BRAZIL WERE

BASED ON TWO ELEMENTS:

A. THEY HAVE NOW DETERMINED THAT CREDITS ARE MADE AVAILABLE TO BRAZILIAN EXPORTERS OF OILS AND MEALS AT HIGHLY FAVORABLE INTEREST RATES - 8 PERCENT VERSUS THE NORMAL BRAZILIAN RATE OF 32. THIS PRACTICE IS FELT TO GIVE THE BRAZILIAN CRUSHING INDUSTRY A VERY SUBSTANTIAL ADVANTAGE.

B. THE BRAZILIAN GOVERNMENT HAS ONCE AGAIN STOPPED ISSUING LICENSES FOR THE EXPORT OF BEANS, WHICH HAS FORCED DOWN BEAN PRICES IN BRAZIL. THE OFFICIAL ALLEGED THAT AS PART OF THE 1977 COUNTERVAILING DUTY SETTLEMENT, BRAZIL HAD AGREED NOT TO RESTRICT EXPORTS OF BEANS. WITH RESPECT TO POINT A, ABOVE, THE OFFICIAL SAID THAT THE COMMISSION HAD WRITTEN THE BRAZILIAN GOVERNMENT INQUIRING ABOUT THIS PRACTICE. BRAZIL HAD REPLIED THAT THIS MEASURE HAD BEEN IN EFFECT SINCE THE END OF 1976.

3. THE OFFICIAL SAID THAT A MEETING WAS SCHEDULED BETWEEN EC CRUSHING INDUSTRY REPRESENTATIVES AND COMMISSION OFFICIALS, LED BY BESELER, HEAD OF THE ANTI-DUMPING SECTION OF DG-I. HE FELT THAT EC INTENTIONS WOULD BE CLEARER AFTER THIS MEETING. COMMISSION OFFICIALS IN DG-I AND DG-VI TELL US THAT NO NEW TALKS HAVE AS YET BEEN HELD WITH THE BRAZILIANS ON THIS ISSUE. MORRIS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 12092 191826Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, SOYBEANS, COUNTERVAILING DUTIES, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE12092
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780255-0696
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780646/aaaabnig.tel
Line Count: 94
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cd064186-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 19012, 77 BRUSSELS 15448
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2303932
Secure: OPEN
Status: NATIVE
Subject: EC CRUSHING INDUSTRY COMPLAINT ABOUT SOYBEAN MEAL IMPORTS FROM BRAZIL
TAGS: EAGR, BE, BR, EEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/cd064186-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014